

# NOTICE OF PUBLIC MEETING

## AGENDA

### CLARK COUNTY OPEB BOARD OF TRUSTEES

WEDNESDAY, November 29, 2016, 3:00 PM  
PINYON ROOM, GOVERNMENT CENTER, 6th FLOOR  
500 SOUTH GRAND CENTRAL PARKWAY, LAS VEGAS, NEVADA

This meeting has been properly noticed and posted in the following locations:		Agenda Also Available At:	
CC Government Center 500 S. Grand Central Pkwy Las Vegas, NV (Principal Office)	Regional Justice Center 200 Lewis Ave, 1 <sup>st</sup> Fl. Las Vegas, NV	City of Las Vegas 400 E. Stewart Ave Las Vegas, NV	City of No. Las Vegas 2200 Civic Center Dr. No. Las Vegas, NV
Third Street Building 309 S. Third St. Las Vegas, NV	Paradise Park Pool & Center 4775 McLeod Dr. Las Vegas, NV	City of Henderson 240 Water St. Henderson, NV	City of Boulder City 400 California Ave. Boulder City, NV
Winchester Park & Center 3130 S. McLeod Dr Las Vegas, NV	Desert Breeze Park & Community Ctr. 8275 Spring Mtn. Rd Las Vegas, NV	City of Mesquite 10 E. Mesquite Blvd. Mesquite, NV	Clark County Regional Govt. Ctr. 101 Civic Way Laughlin, NV

- Items on the agenda may be taken out of order.
- The OPEB Board of Trustees may combine two or more agenda items for consideration.
- The OPEB Board of Trustees may remove an item from the agenda or delay discussion relating to an item at any time.

The main agenda is available on Clark County's website, <http://www.ClarkCountyNV.gov>. For copies of agenda items and supporting backup materials, please contact Carrie Delatorre at (702) 455-3895.

## CALL TO ORDER

### Comments by the General Public

This is a period devoted to comments by the general public about items on this agenda. If you wish to speak to the OPEB Board of Trustees about items within its jurisdiction but not appearing on this agenda, you must wait until the "Comments by the General Public" period listed at the end of this agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. No action may be taken on a matter not listed on the posted agenda. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

1. Approval of agenda. (For possible action)
2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting on May 25, 2016. (For possible action)
3. Receive a report on the audited financial statements as of and for the year ending June 30, 2015. (For possible action)
4. Receive a report on financial statements as of and for the year ending June 30, 2016. (For possible action)

5. Approval of the FY17 budget. (For possible action)
6. Discussion of the Quarterly Investment Report from FTN Financial Main Street Advisors. (For possible action)
7. Receive a report on the audit of the OPEB Trust (For possible action)
8. Trustee's/Staff announcements, requests for information, and topics for future agendas, Statements relating to items not on the agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Clark County, Nevada OPEB Trust participants in accordance with the benefit plans. (No discussion on this item will take place among Trustees.)

#### **Comments by the General Public**

A period devoted to comments by the general public about matters relevant to the OPEB Board of Trustees' jurisdiction will be held. No action may be taken on a matter not listed on the posted agenda. Comments will be limited to three minutes. Speakers must clearly state their name (last name spelled for the record) and address. If any member of the OPEB Board of Trustees wishes to extend the length of a presentation, this will be done by the Chair or the Board by majority vote.

# OPEB Board of Trustees

CLARK COUNTY, NEVADA

Jessica Colvin  
*Chair*  
Laura Fitzpatrick  
*Vice-Chair*  
George Stevens  
Trustee

---

## **CALL TO ORDER**

The public meeting of the Clark County OPEB Board of Trustees meeting was called to order by Jessica Colvin, Comptroller on Wednesday, May 25, 2016 at 3:05 P.M. in the Pinyon Room, Clark County Government Center, 6<sup>th</sup> floor, 500 South Grand Central Parkway, Las Vegas, Nevada. This public meeting was properly noticed and posted.

### **ATTENDEES:**

Jessica Colvin, Chair  
Laura Fitzpatrick, Vice Chair  
Joseph Piurkowski, Department of Aviation – phone in  
George Stevens, Trustee – phone in  
Mary Ann Miller, Deputy District Attorney  
Rick Phillips, FTN Financial, Chief Investment Officer  
Drew Solomon, Clark County Treasurer’s Office  
Anna Danchik, Clark County, Manager of Accounting Services  
Elizabeth Vorce, Clark County, Principle Accountant

There were no comments from the general public, as no public present.

### **1. Approval of Agenda (For possible action)**

- Motion made by Ms. Fitzpatrick to approve the Agenda for May 25, 2016, seconded by Mr. Stevens – motion passed unanimously.

### **2. Approval of the minutes of the Clark County, Nevada OPEB Trustee meeting from December 10, 2016 (For possible action)**

- A motion was made by Ms. Fitzpatrick to approve the minutes from the December 10, 2015 meeting, seconded by Mr. Stevens - motion passed unanimously.

### **3. Receive a report on financial statements as of and for the nine months ending March 31, 2016. (For possible action)**

- Ms. Colvin summarized the financial statements for nine months ending March 31, 2016.

**4. Discussion of the Quarterly Investment Report from FTN Financial Main Street Advisors.  
(For possible action)**

- Mr. Phillips summarized the Quarterly Investment Report dated March 31, 2016 and the Economic/Market update.

**5. Receive a report on the audit of the OPEB Trust (For possible action)**

- Ms. Colvin has received a draft of the audit. The audit will then go to the second partner review. There were no adjustments, findings, or deficiencies found during the review. The auditors will be at the next meeting to present the audit report.

**6. Trustee's/Staff announcements, requests for information, and topics for future agendas, Statements relating to items not on the agenda and any ideas and suggestions for greater efficiency, cost effectiveness and innovation in providing for the benefits of Clark County, Nevada OPEB Trust participants in accordance with the benefit plans. (No discussion on this item will take place among Trustees.**

**Comments by the General Public**

There were no comments from the general public.

There being no further business, the meeting was adjourned at 3:18 P.M.



Financial Statements  
June 30, 2015

**Clark County, Nevada OPEB Trust  
Fund**

Clark County, Nevada OPEB Trust Fund  
Table of Contents  
June 30, 2015

---

Independent Auditor’s Report..... 1  
Management’s Discussion and Analysis..... 3  
Financial Statements  
    Statement of Net Position ..... 6  
    Statement of Changes in Net Position..... 7  
    Notes to Financial Statements..... 8



## **Independent Auditor's Report**

To the Board of Trustees  
Clark County, Nevada OPEB Trust Fund  
Las Vegas, Nevada

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Clark County, Nevada OPEB Trust Fund (the Trust), which comprise the statement of net position and the related statement of changes in net position, as of and for the year ended June 30, 2015, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clark County, Nevada OPEB Trust Fund, as of June 30, 2015, and the respective changes in financial position for the year ended June 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Trust and do not purport to present, and do not present the financial status of the participating employer's post-employment benefit plans, nor do these financial statements contain other disclosures necessary for a fair presentation of the individual post-employment benefit plans in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters****Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Edie Bailly LLP*

Reno, Nevada  
July 27, 2016

Clark County, Nevada OPEB Trust Fund  
Management's Discussion and Analysis  
June 30, 2015

Management offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Trust's financial activities for the fiscal year ended June 30, 2015. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Trust's financial statements include the following components:

- Statement of Net Position
- Statement of Changes in Net Position
- Notes to Financial Statements

The *Statement of Net Position* presents the Trust's assets and liabilities and the net position, which are held in trust for other post-employment benefits of Clark County, Nevada. This statement reflects a year-end snapshot of the Trust's investments, at fair value, along with cash, receivables and other liabilities.

The *Statement of Changes in Net Position* presents information showing how the Trust's net position changed during the year. This statement includes additions for contributions by Clark County and investment earnings and deductions for payments and administrative expenses.

The *Notes to Financial Statements* are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the financial statements.

Financial Highlights

- Net position is restricted for future benefit payments for eligible retirees. Net position at June 30, 2015 totaled \$83,031,640.
- Outstanding accounts payable at year-end were \$1,589. This amount represents amounts payable to investment advisors and trustee fees.
- Employer contributions compromised \$82,939,578 of the increase in net position of \$83,031,640 for the year ended June 30, 2015.

Condensed Financial Information

Comparative summary financial statements of the Trust are presented as follows:

Net Position June 30, 2015 and 2014		
	2015	2014
Assets		
Cash	\$ 99,565	\$ -
Receivables	94,970	-
Investments	82,838,694	-
Total Assets	<u>83,033,229</u>	<u>-</u>
Liabilities		
Accounts payable	<u>1,589</u>	<u>-</u>
Net Position, restricted	<u>\$ 83,031,640</u>	<u>\$ -</u>

Changes in Net Position Years ended June 30, 2015 and 2014		
	2015	2014
Additions		
Net investment income	\$ 92,577	\$ -
Employer contributions	82,939,578	-
Total additions	<u>83,032,155</u>	<u>-</u>
Deductions		
Administrative expenses	<u>515</u>	<u>-</u>
Change in Net Position	83,031,640	-
Net Position		
Beginning of year, restricted	<u>-</u>	<u>-</u>
End of year, restricted	<u>\$ 83,031,640</u>	<u>\$ -</u>

Analysis of Financial Position and Results of Operations

The Trust's net position was \$83,031,640 at June 30, 2015. Clark County made contributions to the Trust for the first time during fiscal year 2015. Clark County's contributed \$82,939,578 during the fiscal year. The net appreciation of these contributions for fiscal year 2015 was \$95,645 with investment expenses of \$3,068 resulting in net investment income of \$92,577.

Requests for Information

Questions concerning the information provided in this report or requests for additional financial information should be addressed to Jessica L. Colvin, Comptroller, at 500 South Grand Central Parkway, Las Vegas, NV 89155.

Clark County, Nevada OPEB Trust Fund  
Statement of Net Position  
June 30, 2015

---

Assets

Cash	<u>\$ 99,565</u>
Receivables	
Interest	<u>94,970</u>
Investments, at fair value	<u>82,838,694</u>
Total assets	<u>83,033,229</u>

Liabilities

Accounts payable	<u>1,589</u>
------------------	--------------

Total net position, restricted for post-employment benefits	<u><u>\$ 83,031,640</u></u>
---	-----------------------------

Clark County, Nevada OPEB Trust Fund  
Statement of Changes in Net Position  
Year Ended June 30, 2015

---

Additions	
Investment Income	
Investment income	\$ 95,645
Less investment expense	<u>3,068</u>
Net investment income	<u>92,577</u>
Contributions	
Employer	<u>82,939,578</u>
Total additions	<u>83,032,155</u>
Deductions	
Administrative expenses	<u>515</u>
Change in Net Position	83,031,640
Net Position	
Beginning of year	<u>-</u>
End of year	<u><u>\$ 83,031,640</u></u>

**Note 1 - Organization and Nature of Activities**

Clark County, Nevada OPEB Trust Fund (the Trust) was established March 4, 2014, for the purpose of accumulating and investing assets to fund post-employment benefits other than pensions for the Clark County Self-Funded Group Medical and Dental Plan (the plan) of Clark County, Nevada (the County/Employer). The Trust is not a component unit of another governmental entity.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust agreement. The Board of Trustees is currently composed of three members. The Trustees must include: a) at least one person who has a combination of education and experience of at least five years in finance or economics; b) a public office or employee of the Employer who manages the fiscal affairs of the Employer; and c) a current beneficiary of the benefit plan who has a combination of education and experience of at least five years in finance or economics. Each Trustee shall be appointed for a term of at least two years but not to exceed four years. The Trust Sponsor's governing body may renew the term of any Trustee.

The Trust does not purport to present the financial status of the participating employer's post-employment benefit plans, nor do these statements contain information or other disclosures necessary for a fair presentation of the individual plan in accordance with accounting principles generally accepted in the United States of America.

**Note 2 - Summary of Significant Accounting Policies**

**Measurement Focus and Basis of Accounting**

The economic resources measurement focus and the accrual basis of accounting are used in the preparation of the financial statements. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

**Investments and Investment Income**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned.

**Taxes**

The Trust is exempt from taxation under Section 115 of the Internal Revenue Code. Accordingly, the accompanying financial statements do not include a provision for federal income taxes.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

### **Termination**

Although it has not expressed any intent to do so, the Employer has the right under the Trust agreement to terminate this Trust in whole or in part at any time as permitted by law.

### **Note 3 - Investments and Risk**

The Board of Trustees have established an investment policy for the Trust. Under the policy, the Trust's assets are limited to investments in the Retirement Benefits Investment Fund (RBIF); and any investment authorized pursuant to NRS 355.170. Such investments under NRS 355.170 include certain "A" rated notes and bonds, guaranteed investment contracts, obligations of the U.S. Treasury, obligations of other U.S. Government agencies, negotiable and non-negotiable certificates of deposit issued by commercial banks or insured savings and loan associations, bankers acceptances, repurchase agreements, "AAA" rated mutual funds that invest in securities of the Federal Government or agencies of the Federal Government, and the State of Nevada Local Government Investment Pool (LGIP).

#### RBIF:

The Trust invests its assets in State of Nevada's Retirement Benefit Investment Fund (RBIF) as allowed by the Nevada Revised Statute (NRS) 287.017 and the Nevada Administrative Code (NAC). The RBIF was established pursuant to NRS 355.220 and is administered by the Retirement Benefits Investment Board (RBIB) as an unrated external investment pool. The RBIF is not registered with the Securities and Exchange Commission (SEC) as an investment company. Each participant acts as fiduciary for its particular share of the RBIF and is allocated earnings and expenses according to their proportional share in RBIF. Bank of New York Mellon determines the fair value of the RBIF monthly. The Trust's investment in RBIF is \$26,792,229 at June 30, 2015, is reported at fair value, which is determined by the fair value per share of RBIF's underlying portfolio as of June 30, 2015. The RBIF primarily invests in a mix of domestic and foreign equity securities and fixed income investments. The RBIF engages only in foreign currency forward contracts to reduce foreign currency translation risk. No other derivatives are allowed. Fixed income securities are 28.6% of the RBIF portfolio. These securities have maturity dates ranging from July 2016 to May 2045. Complete financial information on RBIF as of June 30, 2015 can be obtained by contacting Public Employees Retirement System (PERS) at 693 W. Nye Lane, Carson City, NV, 89703.

#### Clark County Investment Pool:

The Trust invests its assets in the Clark County Investment Pool (County investment pool) as allowed by NRS 287.017. The County investment pool was established by the Clark County Board of Commissioners pursuant to NRS 355.168 and is administered by as an unrated external investment pool. Investments in the County investment pool include only those investments allowed under NRS 355.170. The Clark County Treasurer, under authority of the Clark County Board of Commissioners, is the primary investment official for the County. The County investment pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. All investments within the County investment pool are stated at original investment, plus a monthly allocation of investment income, including realized and unrealized gains and losses, which is the same as the value of the pool shares. The average investment duration of the County investment pool is 2 years. The Trust's investment in the investment pool is \$56,046,465 at June 30, 2015.

Clark County, Nevada  
 OPEB Trust Fund  
 Statement of Plan Net Assets  
 June 30, 2016

---

	<u>Clark County</u>	<u>Department of Aviation</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments			
Cash	\$ 75,993	\$ 16,696	\$ 92,689
State of Nevada RBIF	67,755,080	14,885,771	82,640,851
Clark County Investment Pool	1,870,786	411,011	2,281,797
Interest receivable	4,177	917	5,094
Total assets	<u>69,706,036</u>	<u>15,314,395</u>	<u>85,020,431</u>
<b>Liabilities</b>			
Accrued expenses	<u>13,139</u>	<u>2,887</u>	<u>16,026</u>
<b>Net Assets Held in Trust for Other Postemployment Benefits</b>	<u>\$ 69,692,897</u>	<u>\$ 15,311,508</u>	<u>\$ 85,004,405</u>

Clark County, Nevada  
OPEB Trust Fund  
Statement of Changes in Plan Net Assets  
For the Period July 1, 2015 through June 30, 2016 - Budget to Actual

	Clark County	Department of Aviation	Total	YTD Budget	Favorable (Unfavorable) Variance
<b>Additions</b>					
Contributions					
Employer - Clark County	\$ -	\$ -	\$ -	\$ -	\$ -
Employer - Department of Aviation	-	-	-	-	-
Total contributions	-	-	-	-	-
Investment income (loss)					
Interest	1,289,371	283,274	1,572,645	51,900	1,520,745
Net increase (decrease) in fair value of investments	356,470	78,316	434,786	-	434,786
Total investment income (loss)	1,645,841	361,590	2,007,431	51,900	1,955,531
Less Investment expense	(18,657)	(4,099)	(22,756)	(51,900)	29,144
Net investment income (loss)	1,627,184	357,491	1,984,675	-	1,984,675
Total additions	1,627,184	357,491	1,984,675	-	1,984,675
<b>Deductions</b>					
Administrative expenses					
Accounting services	353	77	430	480	50
Audit fees	9,019	1,981	11,000	15,000	4,000
Continuing education	-	-	-	1,500	1,500
Bank fees	10	2	12	1,000	988
Trustee fees	262	58	320	480	160
Other	121	27	148	5,000	4,852
Total administrative expenses	9,765	2,145	11,910	23,460	11,550
Change in plan net assets	1,617,419	355,346	1,972,765	(23,460)	1,996,225
<b>Net Assets Held In Trust for Other Postemployment Benefits</b>					
Beginning of year	68,075,478	14,956,162	83,031,640	83,031,640	-
End of year	\$ 69,692,897	\$ 15,311,508	\$ 85,004,405	\$ 83,008,180	\$ 1,996,225

Clark County, Nevada OPEB Trust Fund  
 Budget  
 For the Fiscal Year Ended June 30, 2017

	FY17 Budget	Clark County	Department of Aviation
<b>Additions</b>			
Contributions			
Employer - Clark County	\$ -	\$ -	\$ -
Employer - Department of Aviation	-		
Total contributions	-		
Investment Income (loss)			
Interest	30,000	24,596	5,404
Net Increase (decrease) in fair value of investments	-		
Total Investment Income (loss)	30,000	24,596	5,404
Less investment expense	(30,000)	(24,596)	(5,404)
Net Investment Income (loss)	-		
Total additions	-		
<b>Deductions</b>			
Benefits			
Administrative expenses			
Accounting services	750	615	135
Audit fees	16,500	13,528	2,972
Continuing education	2,400	1,968	432
Bank fees	1,100	902	198
Insurance	10,000	8,199	1,801
Trustee fees	480	394	86
Other	5,500	4,509	991
Total administrative expenses	36,730	30,114	6,616
Change in plan net assets	(36,730)	(30,114)	(6,616)
<b>Net Assets Held In Trust for Other Postemployment Benefits</b>			
Beginning of year	85,004,405	69,692,897	15,311,508
End of year	\$ 84,967,675	\$ 69,662,733	\$ 15,304,892

Clark County, Nevada OPEB Trust Fund  
 Cash Flow Projections and Planned Transfers to the State Investment Fund (RBIF)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Clark County Contributions	DOA Contributions	Total Contributions	FY16 accruals	Direct Expenses	Reimburse Employer	Cash Change	Transfers to RBIF	Cash in CC Investment Pool	Cash in RBIF	OPEB Operating Account	Total Cash & Investments
Beginning Balance									2,281,797	82,640,851	92,689	85,015,337
Jul - 16			(2,460)		(3,061)		(5,520)		2,281,797	82,640,851	87,169	85,009,817
Aug - 16			(13,567)		(3,061)		(16,628)		2,281,797	82,640,851	70,541	84,993,189
Sept - 16					(3,061)		(3,061)		2,281,797	82,640,851	67,480	84,990,128
Oct - 16					(3,061)		(3,061)		2,281,797	82,640,851	64,419	84,987,067
Nov - 16					(3,061)		(3,061)		2,281,797	82,640,851	61,358	84,984,006
Dec-16					(3,061)		(3,061)	2,000,000	281,797	84,640,851	58,298	84,980,946
Jan-17					(3,061)		(3,061)		281,797	84,640,851	55,237	84,977,885
Feb-17					(3,061)		(3,061)		281,797	84,640,851	52,176	84,974,824
Mar-17					(3,061)		(3,061)		281,797	84,640,851	49,115	84,971,763
Apr-17					(3,061)		(3,061)		281,797	84,640,851	46,054	84,968,702
May-17					(3,061)		(3,061)		281,797	84,640,851	42,993	84,965,641
June-17					(3,061)		(3,061)		281,797	84,640,851	39,933	84,962,581
Cash flow total			(16,026)		(36,730)		(52,756)	2,000,000				

Key Assumptions:  
 For FY17, only one transfer to RBIF is to be made for \$2m in December 2016.  
 RBIF & CC Pool do not include investment earnings



**Client Management Team**

**Rick Phillips**  
President & Chief Investment Officer  
702-575-6666  
rick.phillips@ftnmainstreet.com

**Tonya Dazzio**  
Chief Operating & Compliance Officer  
702-575-6592  
tonya.dazzio@ftnmainstreet.com

**Greg Balls**  
Portfolio Manager & Analyst  
702-575-6655  
greg.balls@ftnmainstreet.com

**Christine Wilson**  
Operations Analyst  
702-575-6640  
christine.wilson@ftnmainstreet.com

# Quarterly Investment Report

## Clark County OPEB Trust

June 2016

Sector	Current Market Value	Prior Qtr Market Value	Period Change
Clark County Inv Pool (Fixed Income)	2,287,322.82	29,129,458.05	(26,842,135.22)
Cash Equivalents - RBIF	2,182,343.67	1,458,868.53	723,475.14
U.S. Bonds - RBIF	24,119,860.78	14,811,980.22	9,307,880.56
U.S. Stocks - RBIF	40,854,711.08	26,524,522.88	14,330,188.20
International Stocks - RBIF	15,483,935.24	10,784,797.28	4,699,137.96
<b>Total</b>	<b>84,928,173.59</b>	<b>82,709,626.96</b>	<b>2,218,546.64</b>

**Cost vs Market Value**

Market Value	84,928,173.59
Book Value	83,141,614.15
<b>Variance</b>	<b>1,786,559.44</b>

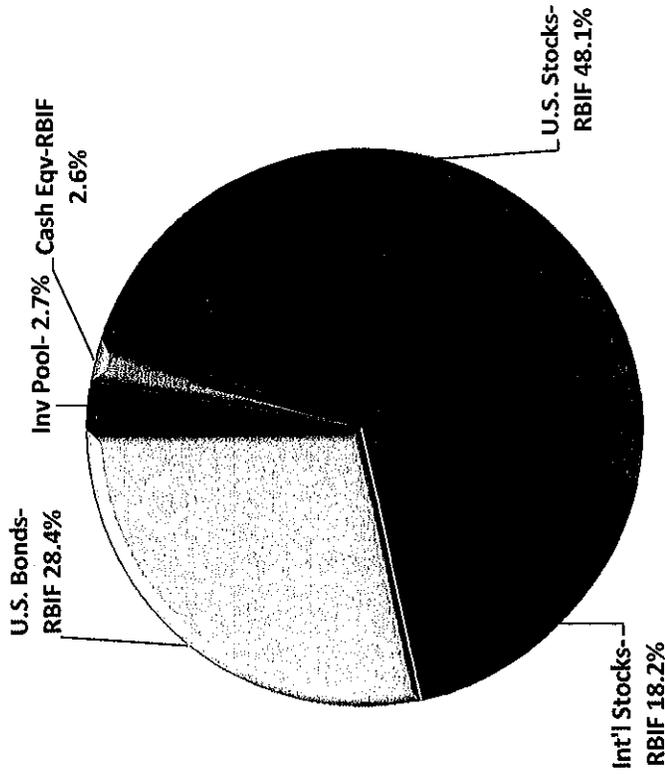
**Total Gain/Loss % Since Inception**      **2.10%**

RBIF Allocations	Target	Range
U.S. Equity	49%	46.5%-54.0%
International Equity	21%	19.0%-23.5%
U.S. Bonds	30%	25%*

\*Rebalance minimum

Note: First deposit into RBIF was 1/30/15

**Total Asset Allocation**

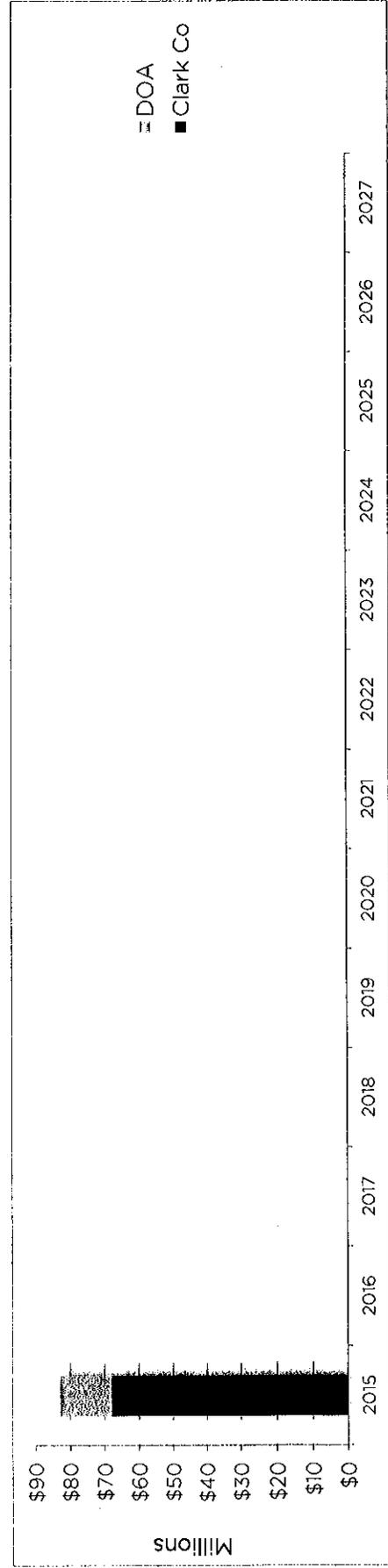


**Current Fiscal Year Contributions**

Date	Clark County Contribution	DOA Contribution	Total Contribution
July-2016			
August-2016			
September-2016			
October-2016			
November-2016			
December-2016			
January-2017			
February-2017			
March-2017			
April-2017			
May-2017			
June-2017			
<b>Total</b>	0.00	0.00	0.00

**Fiscal Year Contributions - Millions**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Total
	82.9	0.0												82.9

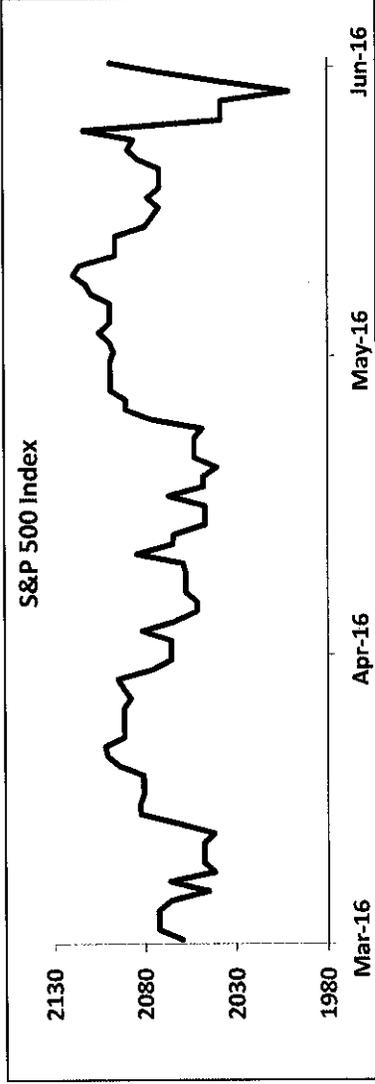


**S&P 500 (Domestic Stocks)**

**Quarterly Return: 2.45%**

**Key Points**

- Apr: Volatile oil prices moved stocks around, but ended flat
- May: Strong new home sales help stocks climb higher
- Jun: Brexit caused volatility, but stocks rebounded with Fed help

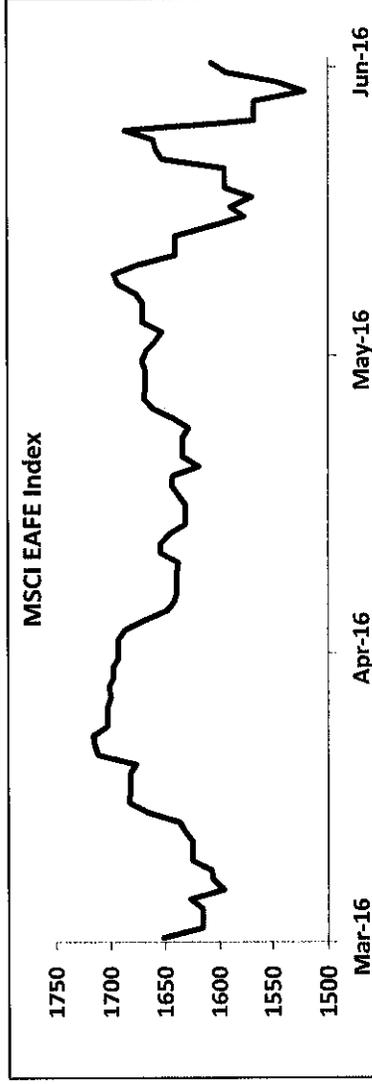


**MSCI EAFE (International Stocks)**

**Quarterly Return: (1.24%)**

**Key Points**

- Apr: Stocks moved higher on central bank assistance
- May: Weak China manufacturing weighed on stocks
- Jun: Brexit hurt international stocks worse than domestic



**BAML US Treasury Bond Index (Domestic Fixed-Income)**

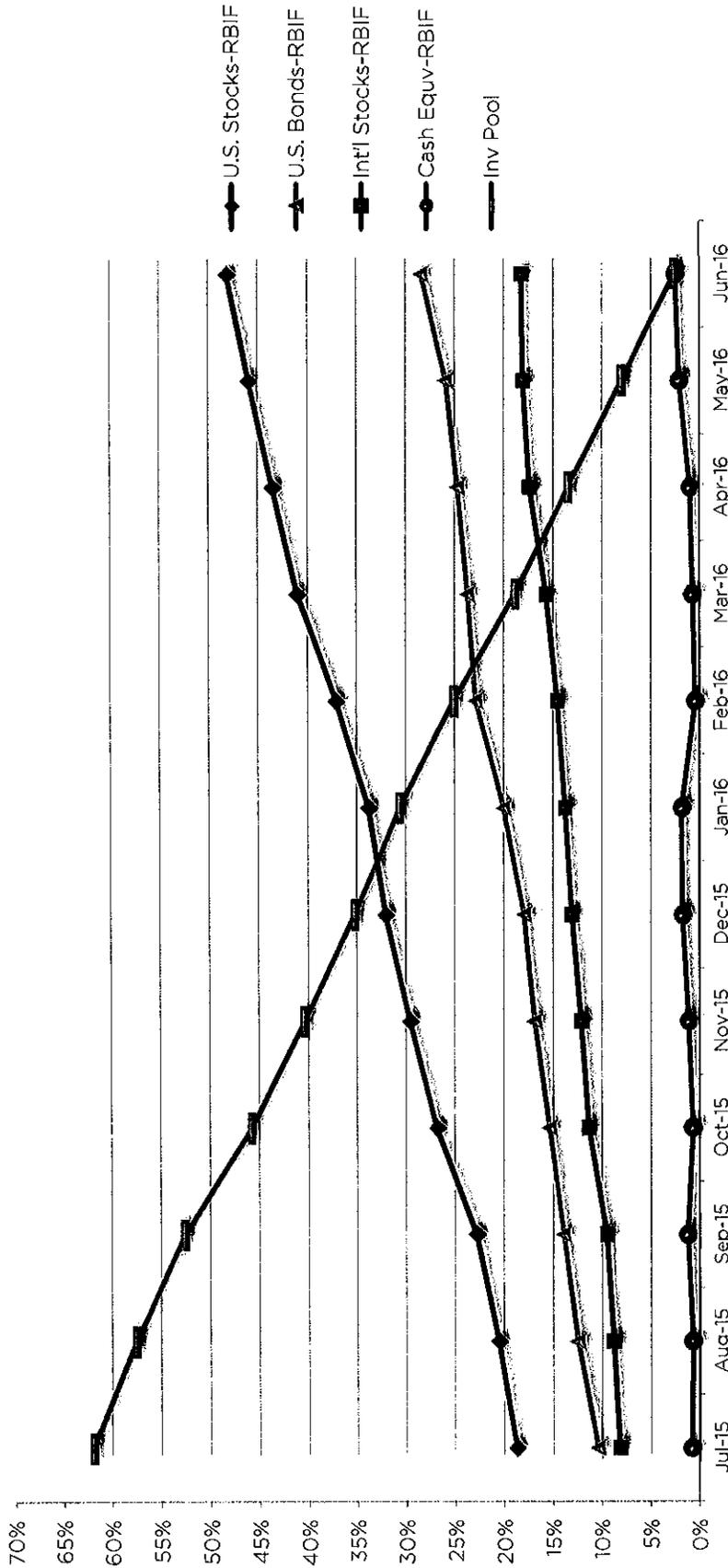
**Quarterly Return: 2.24%**

**Key Points**

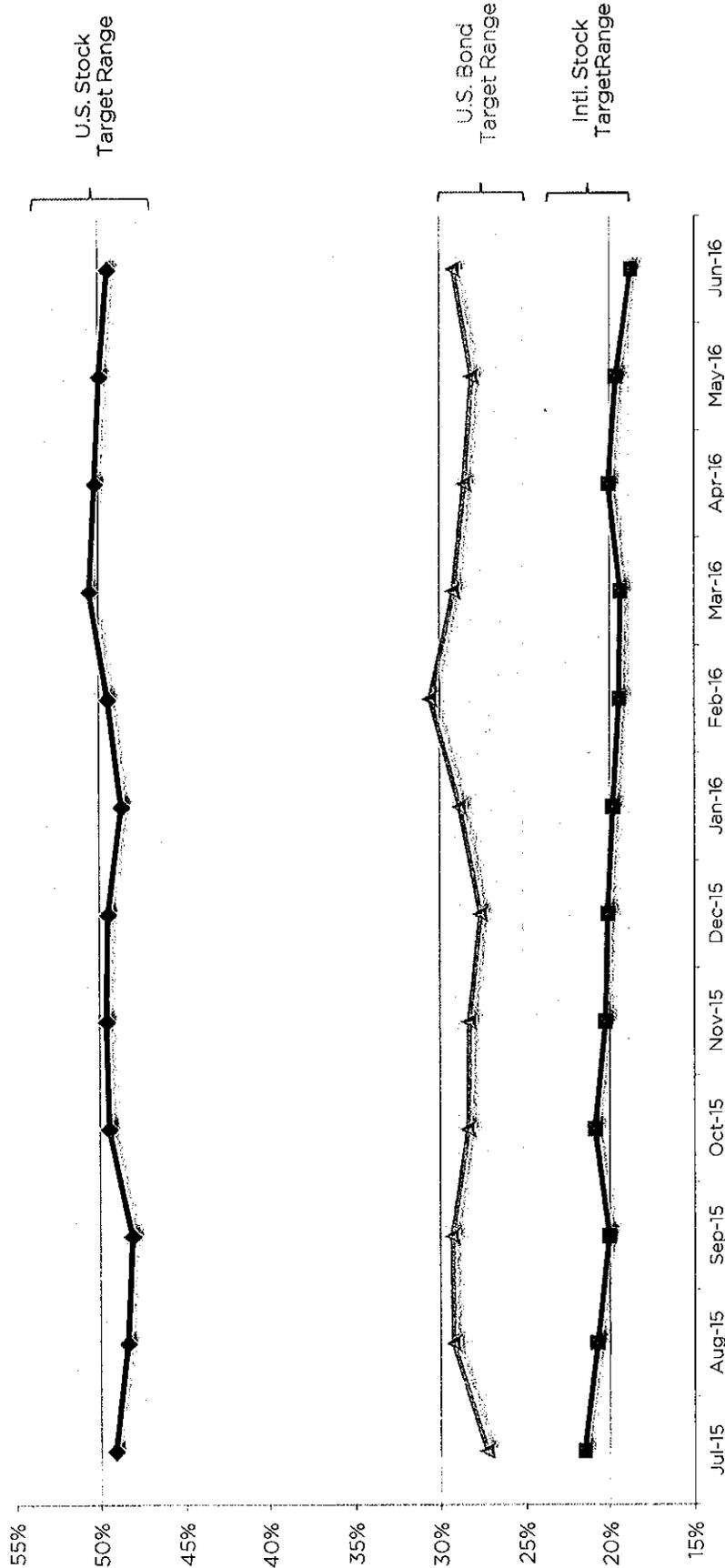
- Apr: Fed held steady at the April FOMC meeting
- May: April FOMC minutes project a June hike
- Jun: Brexit vote pushed rates lower



Historical Sector Allocation - All Assets  
 6/30/2016

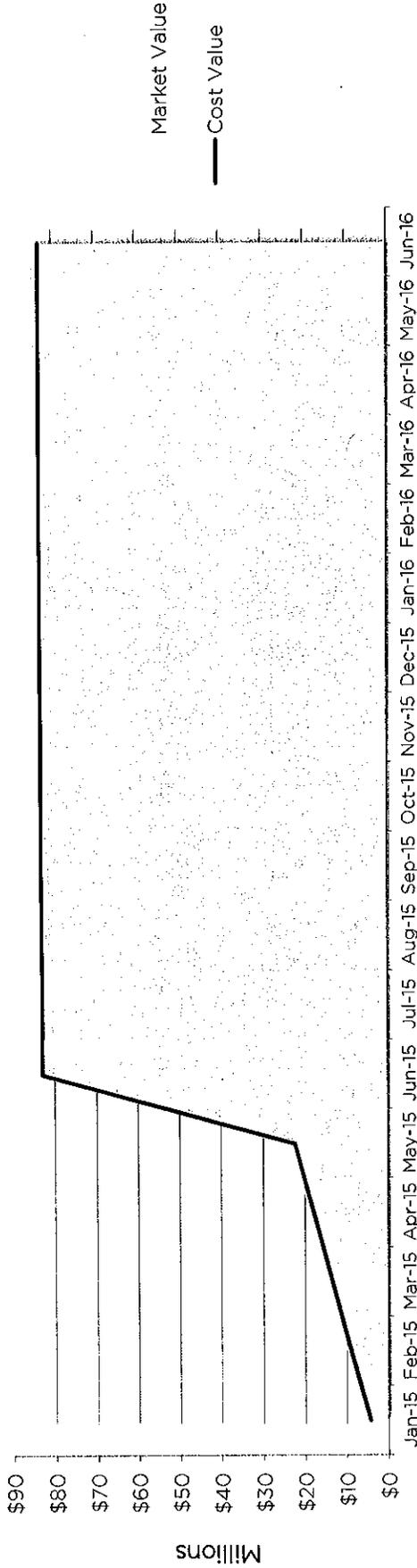


Sector	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
CC Inv Pool	61.9%	57.6%	52.6%	45.8%	40.4%	35.2%	30.6%	25.1%	18.9%	13.4%	8.0%	2.7%
U.S. Stocks - RBIF	18.7%	20.5%	22.8%	26.8%	29.6%	32.1%	33.8%	37.1%	41.0%	43.5%	45.9%	48.1%
U.S. Bonds - RBIF	10.4%	12.4%	13.9%	15.4%	16.9%	17.9%	20.0%	22.9%	23.7%	24.7%	25.9%	28.4%
Int'l Stocks - RBIF	8.2%	8.8%	9.5%	11.3%	12.1%	13.0%	13.8%	14.6%	15.7%	17.4%	18.1%	18.2%
Cash Equiv - RBIF	0.8%	0.7%	1.2%	0.7%	1.1%	1.8%	1.8%	0.4%	0.7%	1.0%	2.1%	2.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

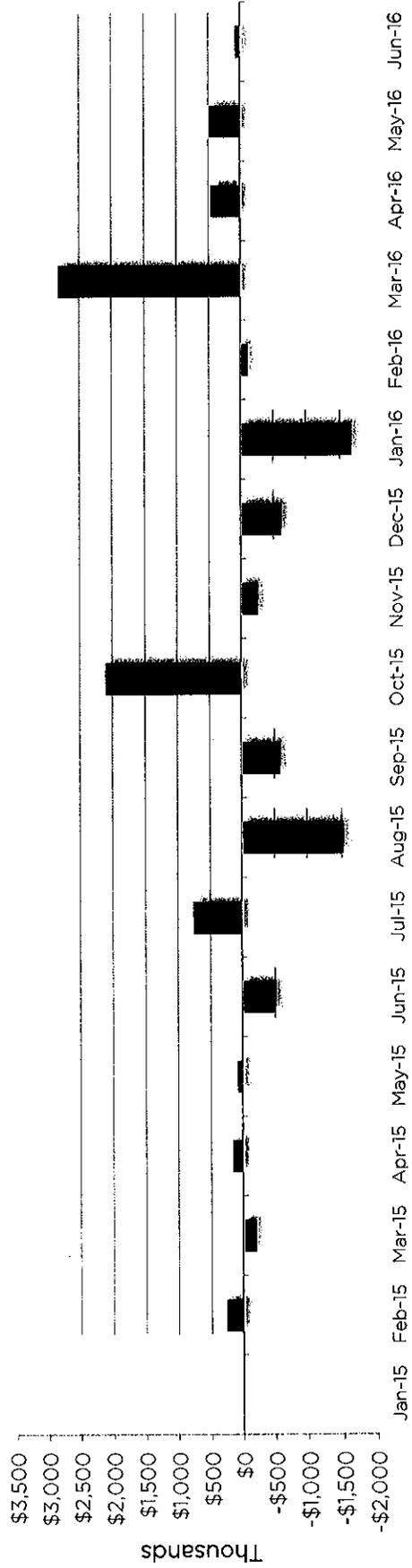


RBIF Sector	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
U.S. Stocks - RBIF	49.1%	48.4%	48.1%	49.5%	49.6%	49.5%	48.7%	49.5%	50.6%	50.2%	49.9%	49.4%
Int'l Stocks - RBIF	21.5%	20.8%	20.1%	20.9%	20.3%	20.1%	19.8%	19.4%	19.4%	20.1%	19.6%	18.7%
U.S. Bonds - RBIF	27.3%	29.2%	29.3%	28.4%	28.3%	27.6%	28.8%	30.5%	29.2%	28.6%	28.1%	29.2%
Cash Equiv - RBIF	2.1%	1.6%	2.5%	1.3%	1.8%	2.7%	2.7%	0.5%	0.9%	1.1%	2.3%	2.6%
<b>Total</b>	<b>100.0%</b>											

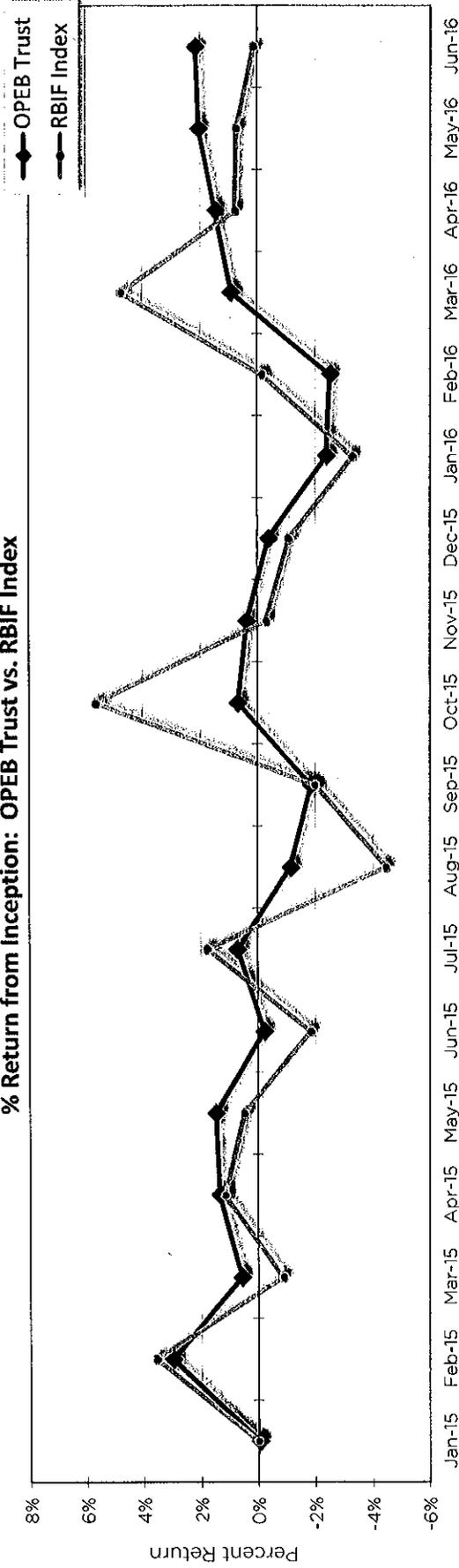
Cost Value vs. Market Value



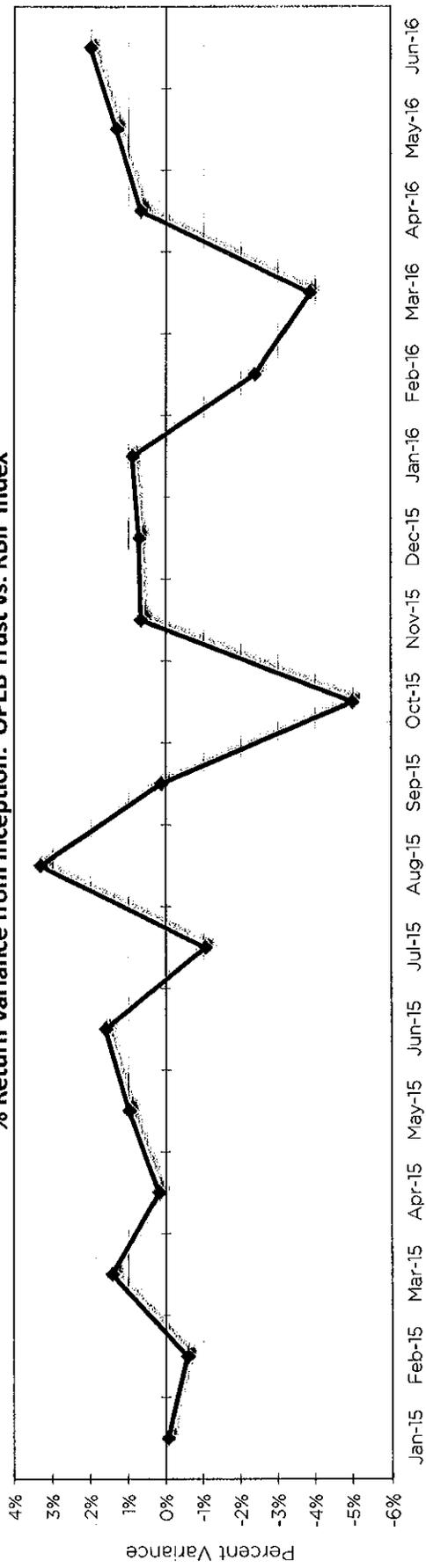
Gain/Loss from Previous Month



**% Return from Inception: OPEB Trust vs. RBIF Index**

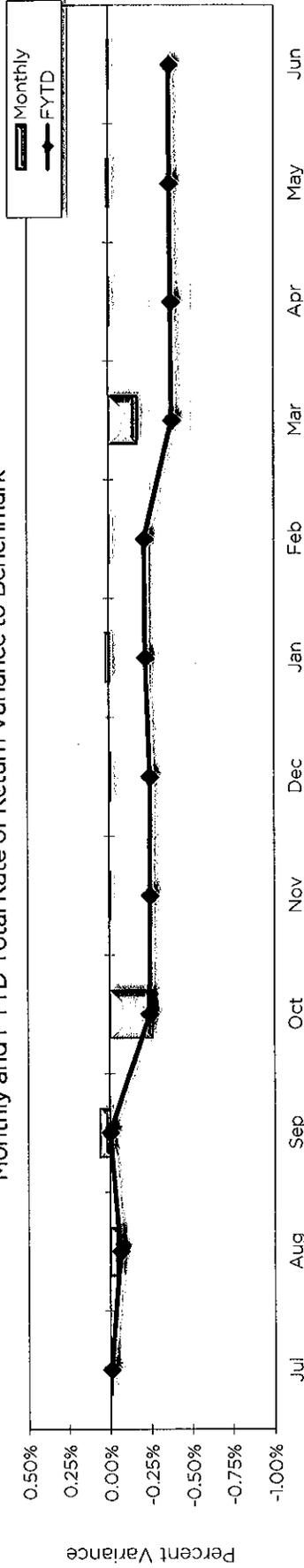


**% Return Variance from Inception: OPEB Trust vs. RBIF Index**



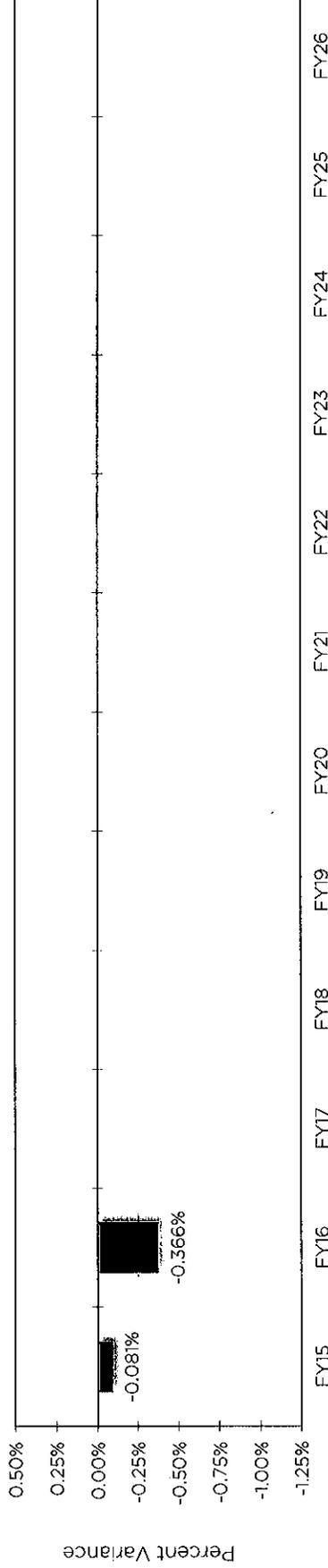
RBIF Benchmark: 49% S&P 500, 30% Barclays Aggregate Bond, 21% MSCI EAFE - RBIF Returns are net of fees

Monthly and FYTD Total Rate of Return Variance to Benchmark



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>RBIF Portfolio</b>	1.733%	-4.672%	-1.976%	5.431%	-0.303%	-1.134%	-3.395%	-0.153%	4.515%	0.755%	0.749%	0.122%
<b>RBIF Benchmark</b>	1.739%	-4.617%	-2.037%	5.684%	-0.301%	-1.128%	-3.414%	-0.159%	4.680%	0.748%	0.738%	0.120%
<b>Monthly Variance</b>	-0.0066%	-0.0566%	0.0622%	-0.2533%	-0.0033%	-0.0066%	0.0199%	0.0066%	-0.1655%	0.0077%	0.0122%	0.0033%
<b>FYTD Variance</b>	-0.0066%	-0.0622%	-0.0011%	-0.2411%	-0.2433%	-0.2466%	-0.2199%	-0.2133%	-0.3811%	-0.3777%	-0.3688%	-0.3666%

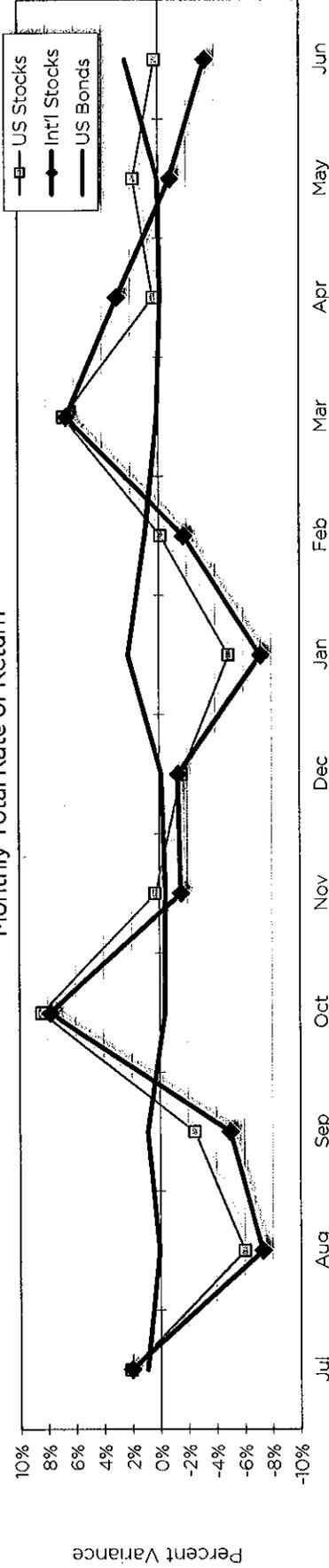
Fiscal Year Total Rate of Return Variance to Benchmark



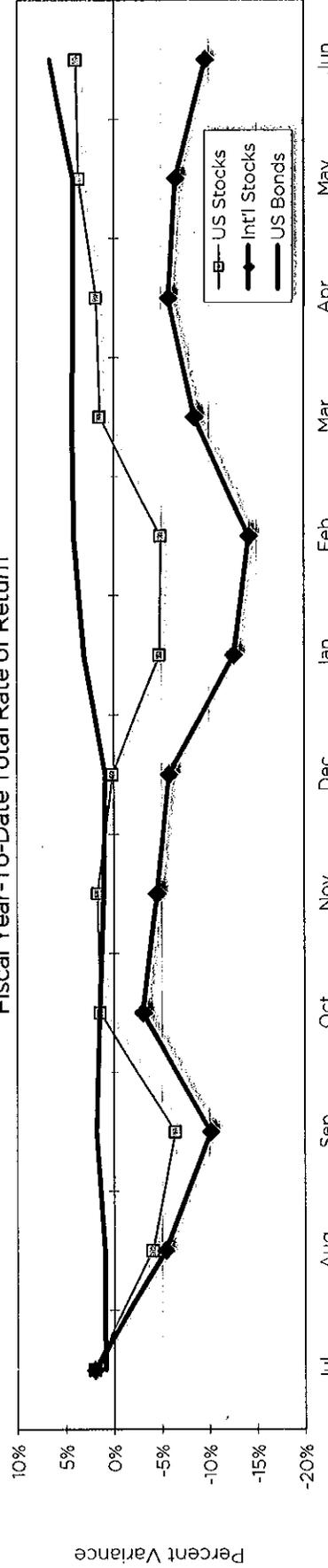
FYTD	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b>RBIF Portfolio</b>	2.563%	1.219%										
<b>Benchmark</b>	2.643%	1.585%										
<b>Yearly Variance</b>	-0.081%	-0.3666%										

Benchmark: 49% S&P 500, 30% Barclays Aggregate Bond, 21% MSCI EAFE -- RBIF Returns are net of fees  
 FY 2015 Started for the month ending February 2015

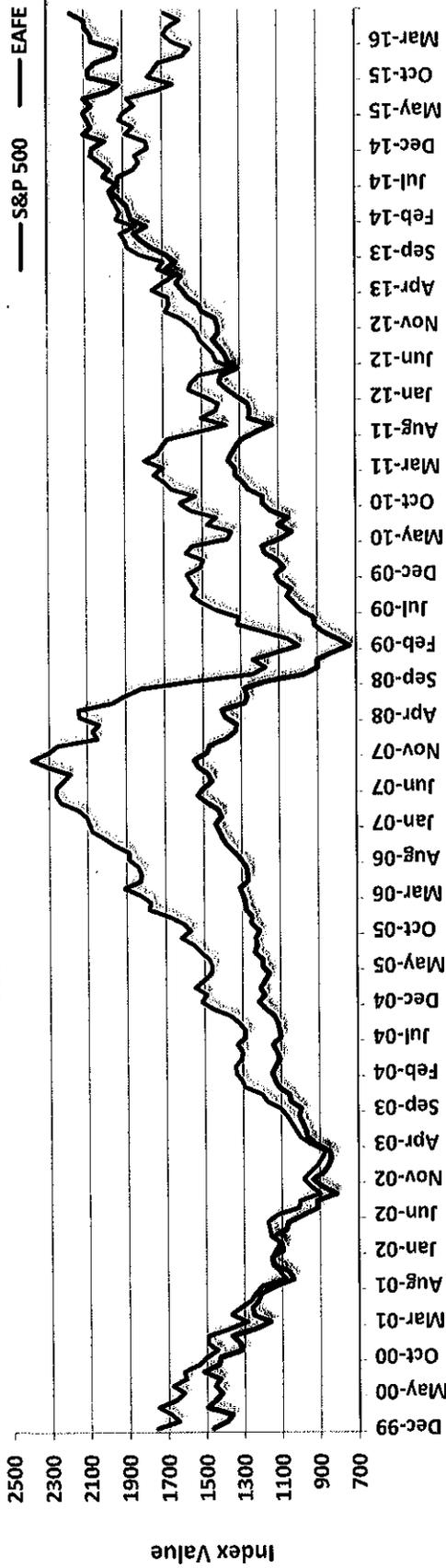
Monthly Total Rate of Return



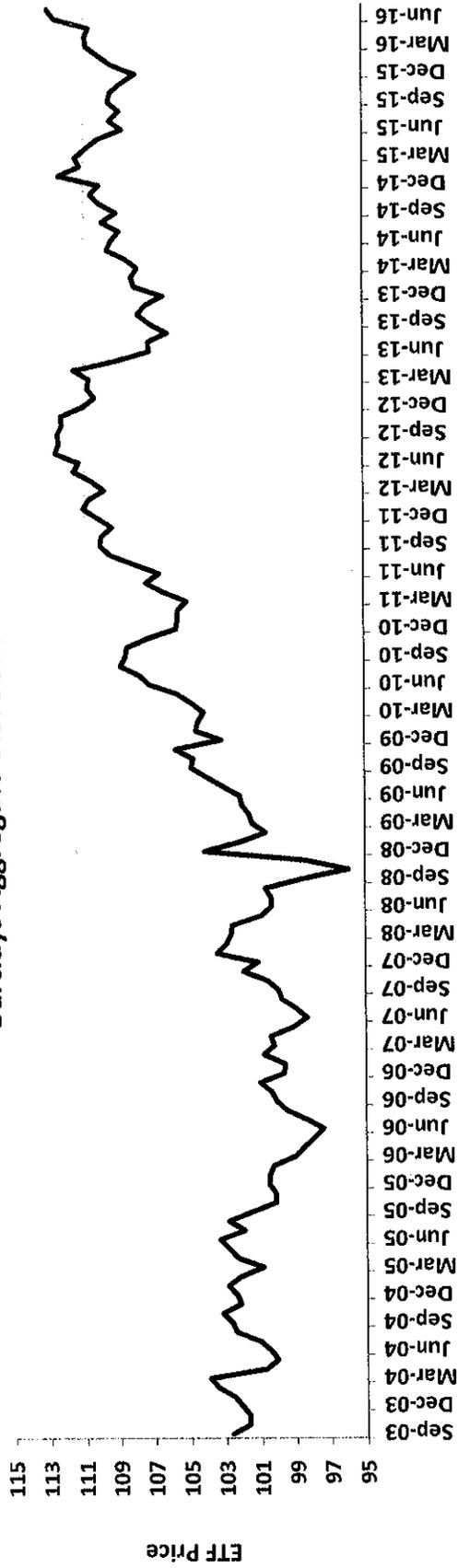
Fiscal Year-To-Date Total Rate of Return



**S&P 500 and MSCI EAFE Indexes**



**Barclays Aggregate U.S. Bond ETF**



**Report Source Data:**

Checking Account: Bank of America  
RBIF: Bank of New York Mellon  
Benchmark: Bloomberg  
Clark County Investment Pool: FTN Main Street

**RBIF Information:**

RBIF investments are overseen by Nevada PERS personnel  
Investment object is to generate an 8% long-term return, exceeding CPI by 4.5%  
Asset classes will be rebalanced according to range triggers shown on page 2  
Rebalancing funding source/destination shall be those asset classes furthest away from their targets

**Glossary:**

S&P 500: S&P index capturing large-cap U.S. based companies  
MSCI EAFE: MSCI index capturing large and mid-cap equities across developed markets in EAFE (Europe, Australasia, and the Far East), excluding the U.S. and Canada  
BAML Treasury Index: Treasury index capturing all full U.S. Treasury market  
Barclays Aggregate Bond: Barclays index which tracks an index of U.S. investment-grade government (including mortgage-backed) and corporate bonds  
ETF: Exchange traded fund, is a marketable security that tracks an index, such as the Barclays Aggregate Bond Index  
Investment Pool: Short-term, high quality fixed income pool overseen by the Clark County Treasurer

Although this information has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to any particular security, investment strategy, or investment product. All herein listed securities are subject to availability and change in price. Past performance is not indicative of future results. Ratings on all securities are subject to change.

FTN Financial Group, FTN Financial Capital Markets, and FTN Financial Portfolio Advisors are divisions of First Tennessee Bank National Association (FTB). FTN Financial Securities Corp (FFSC), FTN Financial Main Street Advisors, LLC, and FTN Financial Capital Assets Corporation are wholly owned subsidiaries of FTB. FFSC is a member of FINRA and SIPC—<http://www.sipc.org/>. FTN Financial Group, through FTB or its affiliates, offers investment products and services. FTN Financial is not registered as a Municipal Advisor.

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, employee or agent responsible to deliver it to the intended recipient, you are hereby notified that reading, disseminating, distributing or copying this communication is strictly prohibited.